

WAC 197-11-970 Determination of nonsignificance (DNS).

DETERMINATION OF NONSIGNIFICANCE

Description of proposal: A cogeneration project to produce "green" electricity for sale to a power distribution system. Steam from the Port Townsend Paper Corporation (PTPC) mill Power Boiler 10 (PB10) and the Recovery Furnace (RF) will drive a new steam turbine generator. PB10 will be upgraded to increase firing efficiency with wood fuel and the PB10 emissions control equipment will be improved. After passing through the turbine, the remaining steam will be used to support pulp and paper mill operations. The steam turbine will generate up to 25 MW of electricity. Project air emissions will be limited by a Notice of Construction (NOC) Order issued by the WA State Department of Ecology.

Proponent : Port Townsend Paper Corporation

Location of proposal, including street address, if any: Port Townsend Paper Corporation pulp and paper mill site located at 100 Mill Road, Port Townsend, WA 98368.

Lead agency: WA Department of Ecology Industrial Section

The lead agency for this proposal has determined that it does not have a probable significant adverse impact on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030 (2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public on request.

☐ There is no comment period for this DNS.

☐ This DNS is issued after using the optional DNS process in WAC 197-11-355. There is no further comment period on the DNS.

XX This DNS is issued under WAC 197-11-340(2); the lead agency will not act on this proposal for 14 days from the date below. Comments must be submitted by July 23, 2010.

Responsible official: Marc Heffner

Position/title: Environmental Engineer

Phone: (360) 407-6773

Address: WA Department of Ecology, Industrial Section, P.O. Box 47600, Olympia, WA 98504-7600

Date: 7/9/10

Signature: M Heffner

WAC 197-11-960 Environmental checklist.

ENVIRONMENTAL CHECKLIST

Purpose of checklist:

The State Environmental Policy Act (SEPA), chapter 43.21C RCW, requires all governmental agencies to consider the environmental impacts of a proposal before making decisions. An environmental impact statement (EIS) must be prepared for all proposals with probable significant adverse impacts on the quality of the environment. The purpose of this checklist is to provide information to help you and the agency identify impacts from your proposal (and to reduce or avoid impacts from the proposal, if it can be done) and to help the agency decide whether an EIS is required.

Instructions for applicants:

This environmental checklist asks you to describe some basic information about your proposal. Governmental agencies use this checklist to determine whether the environmental impacts of your proposal are significant, requiring preparation of an EIS. Answer the questions briefly, with the most precise information known, or give the best description you can.

You must answer each question accurately and carefully, to the best of your knowledge. In most cases, you should be able to answer the questions from your own observations or project plans without the need to hire experts. If you really do not know the answer, or if a question does not apply to your proposal, write "do not know" or "does not apply." Complete answers to the questions now may avoid unnecessary delays later.

Some questions ask about governmental regulations, such as zoning, shoreline, and landmark designations. Answer these questions if you can. If you have problems, the governmental agencies can assist you.

The checklist questions apply to all parts of your proposal, even if you plan to do them over a period of time or on different parcels of land. Attach any additional information that will help describe your proposal or its environmental effects. The agency to which you submit this checklist may ask you to explain your answers or provide additional information reasonably related to determining if there may be significant adverse impact.

Use of checklist for nonproject proposals:

Complete this checklist for nonproject proposals, even though questions may be answered "does not apply." IN ADDITION, complete the SUPPLEMENTAL SHEET FOR NONPROJECT ACTIONS (part D).

For nonproject actions, the references in the checklist to the words "project," "applicant," and "property or site" should be read as "proposal," "proposer," and "affected geographic area," respectively.

A. BACKGROUND

1. Name of proposed project, if applicable: **Cogeneration Project**
2. Name of applicant: **Port Townsend Paper Corporation for Port Townsend Cogeneration Project, LLC**
3. Address and phone number of applicant and contact person:
100 Mill Road
Port Townsend, WA 98368
Contact: Eveleen Muehlethaler, Vice President, Environmental Affairs, Phone: 360-379-2112
4. Date checklist prepared: **5/21/2010**
5. Agency requesting checklist: **Washington State Department of Ecology**
6. Proposed timing or schedule (including phasing, if applicable):
Begin: December 2010
End: 2011
7. Do you have any plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain.
No further additions or expansions are planned.

8. List any environmental information you know about that has been prepared, or will be prepared, directly related to this proposal.

Notice of Construction Permit Application

9. Do you know whether applications are pending for governmental approvals of other proposals directly affecting the property covered by your proposal? If yes, explain.

No.

10. List any government approvals or permits that will be needed for your proposal, if known.

Notice of Construction Application.

11. Give brief, complete description of your proposal, including the proposed uses and the size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers on this page. (Lead agencies may modify this form to include additional specific information on project description.)

PTPC has formed a partnership with Sterling Energy Assets (SEA) in order to produce green electricity that will be sold to the power distribution system. PTPC and SEA are proposing a project (cogeneration project) to install a new steam turbine generator that will extract steam from the Power Boiler 10 and the Recovery Furnace, and then supply the necessary steam to the PTPC mill in order to support mill operations as well. The steam turbine will generate less than 25 MW of electricity that will be sold to a power distribution system. In order to extract steam from the Power Boiler 10 and the Recovery Furnace, specific changes will be made to each emission unit. The Power Boiler 10 will primarily use wood fuel to generate any additional steam supplied to the new steam turbine. The existing Recovery Furnace at the mill will be physically changed as a result of the cogeneration project, but emissions from the Recovery Furnace are not expected to increase.

Additionally, the cogeneration project will involve modifications to the existing solid fuel handling system to the Power Boiler 10 and associated hog fuel storage piles. Truck haul road routes will be affected by the project as well. A new cooling tower will be added to support the steam turbine operations.

12. Location of the proposal. Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map, if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.

The project area is located in Jefferson County in the Southeast Quarter, Section 16, Township 30N, Range 1W.

B. ENVIRONMENTAL ELEMENTS

1. Earth

- a. General description of the site (circle one): Flat, rolling, hilly, steep slopes, mountainous, other

The project area is flat.

- b. What is the steepest slope on the site (approximate percent slope)?

The project area is flat (<1% grade).

- c. What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them and note any prime farmland.

Fill soils.

- d. Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe.

No.

- e. Describe the purpose, type, and approximate quantities of any filling or grading proposed. Indicate source of fill.

A 250 'by 300' area will be cleared and graded to support the new turbine generator building, the biomass fuel system, and to accommodate changes to the plant road system.

- f. Could erosion occur as a result of clearing, construction, or use? If so, generally describe. **Erosion is always a possibility so best management practices will be used to control erosion during and after construction.**

- g. About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?

There will be a less than 1/2 % increase in paving of the present industrial mill site .

- h. Proposed measures to reduce or control erosion, or other impacts to the earth, if any:

Construction will conform to Jefferson County Building codes and as such conform to measures designed to reduce or prevent erosion, etc.

Air

- a. What types of emissions to the air would result from the proposal (i.e., dust, automobile, odors, industrial wood smoke) during construction and when the project is completed? If any, generally describe and give approximate quantities if known.

This project will result in an emissions decrease for all PSD pollutants, except for Volatile Organic Carbons (VOCs) and Carbon Monoxide (CO). While VOCs and CO emissions will increase as a result of the cogeneration project, the respective increase will remain below the Significant Emission Rate (SER), and PSD review will not be triggered for any pollutant. Refer to the attached NOC application for more detailed emission calculations regulated to the cogeneration project.

- b. Are there any off-site sources of emissions or odor that may affect your proposal? If so, generally describe.

No.

- c. Proposed measures to reduce or control emissions or other impacts to air, if any:

Physically modified emission units will meet the Best Available Control Technology (BACT) requirements established by the Department of Ecology.

3. Water

a. Surface:

- 1) Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.

The mill is located on the waterfront of Glen Cove of Port Townsend Bay.

- 2) Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.

The project is greater than 200 feet from shoreline.

- 3) Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.

None.

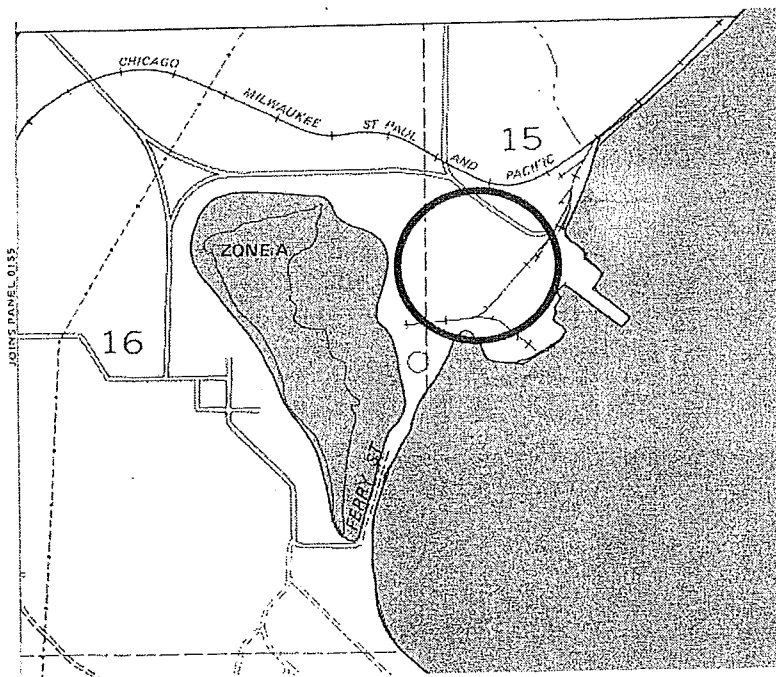
- 4) Will the proposal require surface water withdrawals or diversions? Give general description, purpose, and approximate quantities if known.

Cooling water for the steam turbine will be taken from the salt water cooling water system already in place.

No new withdrawals are planned.

- 5) Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.

No, the project area is marked by the red circle. The 100-year floodplain is marked as the shaded "Zone A" region on the map below.



- 6) Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.

Cooling water blowdown will be discharged. Although the exact amount has yet to be determined and will be confirmed during detailed design, it is expected to be on the order of less than 2% (up to 200 gpm).

b. Ground:

- 1) Will ground water be withdrawn, or will water be discharged to ground water? Give general description, purpose, and approximate quantities if known.

No.

- 2) Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (for example: Domestic sewage; industrial, containing the following chemicals. . . ; agricultural; etc.). Describe the general size of the system, the number of such systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.

Does not apply.

c. Water runoff (including stormwater):

- 1) Describe the source of runoff (including storm water) and method of collection and disposal, if any (include quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.

Storm water will continue to be collected and routed to the process sewer as presently done.

- 2) Could waste materials enter ground or surface waters? If so, generally describe.

Ash from the boiler will be collected in a covered system and then transported by truck to the inert solid waste site. This material is not expected to enter ground or surface water.

- c. Proposed measures to reduce or control surface, ground, and runoff water impacts, if any:

See c.1

4. Plants

- a. Check or circle types of vegetation found on the site: **the project area is in middle of the mill site & any vegetation is minimal.**

_____ deciduous tree: alder, maple, aspen, other

_____ evergreen tree: fir, cedar, pine, other

_____ shrubs

_____ grass

_____ pasture

_____ crop or grain

_____ wet soil plants: cattail, buttercup, bullrush, skunk cabbage, other

_____ water plants: water lily, eelgrass, milfoil, other

_____ other types of vegetation

- b. What kind and amount of vegetation will be removed or altered?

None.

- c. List threatened or endangered species known to be on or near the site.

Unknown.

- d. Proposed landscaping, use of native plants, or other measures to preserve or enhance vegetation on the site, if any:

None.

5. Animals

- a. Circle any birds and animals which have been observed on or near the site or are known to be on or near the site (Animals in bold have been observed in the surrounding area):

birds: **hawk, heron, eagle, songbirds**, other:

mammals: **deer, bear, elk, beaver**, other:

fish: **bass, salmon, trout, herring, shellfish**, other:

There are a number of birds, mammals and marine fish and shellfish are known to inhabit Glen Cove, Port Townsend Bay. The animals indicated above are known to inhabit the surrounding area, but not necessarily at the site of the project.

- b. List any threatened or endangered species known to be on or near the site.

PTPC is unaware of any state threatened or endangered species that inhabit the area around the site.

TO BE COMPLETED BY APPLICANT

c. Is the site part of a migration route? If so, explain.

Unknown.

d. Proposed measures to preserve or enhance wildlife, if any:

No proposed measures.

6. Energy and natural resources

a. What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.

Hog fuel will be used to generate electricity in the completed project.

b. Would your project affect the potential use of solar energy by adjacent properties?
If so, generally describe.

No.

c. What kinds of energy conservation features are included in the plans of this proposal?
List other proposed measures to reduce or control energy impacts, if any:

None.

7. Environmental health

a. Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur as a result of this proposal?
If so, describe.

No.

1) Describe special emergency services that might be required.

No additional emergency services than already exist on-site will be required as a result of this project.

2) Proposed measures to reduce or control environmental health hazards, if any:

Does not apply.

b. Noise

1) What types of noise exist in the area which may affect your project (for example: traffic, equipment, operation, other)?

Does not apply.

2) What types and levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hours noise would come from the site.

Typical construction noise which will not be louder than typical industrial noise.

3) Proposed measures to reduce or control noise impacts, if any:

None.

8. Land and shoreline use

a. What is the current use of the site and adjacent properties?

Industrial site – pulp and paper mill.

b. Has the site been used for agriculture? If so, describe.

No.

c. Describe any structures on the site.

Boiler buildings, Kraft pulp mill buildings, paper machines, offices, mechanical and maintenance buildings.

d. Will any structures be demolished? If so, what?

There will be a certain amount of removal/replacement/modification of existing equipment and/or "structure" associated with the cogeneration project. However, no wholesale demolition of a single structure is expected.

e. What is the current zoning classification of the site?

Heavy Industrial.

f. What is the current comprehensive plan designation of the site?

Heavy Industrial (HI) from Jefferson County Comprehensive Plan (2003).

g. If applicable, what is the current shoreline master program designation of the site?

High Intensity Shoreline per the Shoreline Master Program (2010)

h. Has any part of the site been classified as an "environmentally sensitive" area? If so, specify.

According to Jefferson County's online jMap portal, the project area has the following sensitivities: Seismic Hazard, SIPZ, Port Townsend Bay Tidelands/Wetland (Composite(DNR,NWI,SCS))

i. Approximately how many people would reside or work in the completed project?

No additional people planned at this time.

j. Approximately how many people would the completed project displace?

None.

k. Proposed measures to avoid or reduce displacement impacts, if any:

Does not apply.

- l. Proposed measures to ensure the proposal is compatible with existing and projected land uses and plans, if any:

Does not apply.

9. Housing

- a. Approximately how many units would be provided, if any? Indicate whether high, middle, or low-income housing.

Does not apply.

- b. Approximately how many units, if any, would be eliminated? Indicate whether high, middle, or low-income housing.

Does not apply.

- c. Proposed measures to reduce or control housing impacts, if any:

Does not apply.

10. Aesthetics

- a. What is the tallest height of any proposed structure(s), not including antennas; what is the principal exterior building material(s) proposed?

A new turbine building will be less than 50 feet in height. The exterior have a typical commercial/industrial shell.

- b. What views in the immediate vicinity would be altered or obstructed?

New building will be grouped near existing boilers and should not obstruct neighboring views.

- c. Proposed measures to reduce or control aesthetic impacts, if any:

NA

11. Light and glare

- a. What type of light or glare will the proposal produce? What time of day would it mainly occur?

Does not apply.

- b. Could light or glare from the finished project be a safety hazard or interfere with views?

Does not apply.

- c. What existing off-site sources of light or glare may affect your proposal?

Does not apply.

- d. Proposed measures to reduce or control light and glare impacts, if any:

Does not apply.

12. Recreation

- a. What designated and informal recreational opportunities are in the immediate vicinity?

Glen Cove, Port Townsend Bay provides fishing and boating recreational opportunities.

- b. Would the proposed project displace any existing recreational uses? If so, describe.

No.

- c. Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any:

Does not apply.

13. Historic and cultural preservation

- a. Are there any places or objects listed on, or proposed for, national, state, or local preservation registers known to be on or next to the site? If so, generally describe.

Unknown

- b. Generally describe any landmarks or evidence of historic, archaeological, scientific, or cultural importance known to be on or next to the site.

Unknown. Much of the mill site is constructed on modified land (dirt and sand).

- c. Proposed measures to reduce or control impacts, if any:

None.

14. Transportation

- a. Identify public streets and highways serving the site, and describe proposed access to the existing street system. Show on site plans, if any.

Materials would be transported on Highway 19 and Highway 20 and turn onto Mill Road for delivery to the mill.

- b. Is site currently served by public transit? If not, what is the approximate distance to the nearest transit stop?

No.

- c. How many parking spaces would the completed project have? How many would the project eliminate?

Does not apply.

- d. Will the proposal require any new roads or streets, or improvements to existing roads or streets, not including driveways? If so, generally describe (indicate whether public or private).

No.

- e. Will the project use (or occur in the immediate vicinity of) water, rail, or air transportation? If so, generally describe.

The project will not use rail or air transportation. PTPC expects that the barge traffic may increase.

- f. How many vehicular trips per day would be generated by the completed project? If known, indicate when peak volumes would occur.

As a result of the project, truck traffic to the PTPC facility will increase by 18%, which amounts to approximately 15 additional trucks per day, in addition to the approximately 82 trucks per day currently delivering raw materials to the mill.

- g. Proposed measures to reduce or control transportation impacts, if any:

PTPC plans to bring biomass onsite by barge in addition to bringing biomass onsite by truck.

15. Public services

- a. Would the project result in an increased need for public services (for example: fire protection, police protection, health care, schools, other)? If so, generally describe.

No.

- b. Proposed measures to reduce or control direct impacts on public services, if any.

Does not apply.

16. Utilities

- a. Circle utilities currently available at the site: electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system, other.

Natural gas and a septic system are not available onsite.

- b. Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.

The utilities will be unchanged as a result of this project.

C. SIGNATURE

The above answers are true and complete to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.

Signature:

Date Submitted:

